

EXHIBIT L-1
EOX EXCHANGE LLC REGULATORY CHART

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>Core Principle 1 – Designation as Contract Market:</p> <p>(A) <i>In General.</i>—To be designated, and maintain a designation, as a contract market, a board of trade shall comply with— (i) any core principle described in this subsection; and (ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5).</p> <p>(B) <i>Reasonable Discretion Of Contract Market</i>— Unless otherwise determined by the Commission by rule or regulation, a board of trade described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the board of trade complies with the core principles described in this subsection.</p>	<p>All materials submitted with the application of EOX Exchange LLC (the “Exchange”) for designation as a contract market (the “Application”), including but not limited to the Rulebook of the Exchange (the “Rules”) (<u>Exhibit M-1</u>) and the EOX Exchange LLC Compliance Manual (the “Compliance Manual”) (<u>Exhibit O</u>).</p> <p>Capitalized terms that are used in this <u>Exhibit L-1</u> without definition have the meaning ascribed to those terms in the Rules.</p>
<p>Core Principle 2 – Compliance with Rules:</p> <p>(A) <i>In General.</i>—The board of trade shall establish, monitor, and enforce compliance with the rules of the contract market, including—</p> <ul style="list-style-type: none"> (i) access requirements; (ii) the terms and conditions of any contracts to be traded on the contract market; and (iii) rules prohibiting abusive trade practices on the contract market. 	<p>General. The Exchange has adopted the Rules, which provide the requirements for accessing and trading on the Exchange. Pursuant to Rule 3.5, Participants must utilize the Exchange’s services in a responsible manner, comply with the Rules, cooperate with Exchange investigations, inquiries, audits, examinations and proceedings, and observe high standards of integrity, market conduct, commercial honor, fair dealing and equitable principles of trade. The policies and procedures designed to ensure compliance with the Rules are set forth in the Compliance Manual.</p> <p>Access requirements. Section 3 of the Rules provides clear and transparent access criteria and requirements for Exchange Participants, Broker Firms and their Authorized Users.</p> <ul style="list-style-type: none"> • Jurisdiction. Pursuant to the cover page of the Rules, Rule 3.1 and the EOX Exchange LLC Participant and EOX Exchange LLC Broker Agreements attached as <u>Exhibit N-6</u> and <u>Exhibit N-8</u>, respectively, Participants, Broker Firms, Authorized Users and Clearing Members consent to the jurisdiction of the Exchange before

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>(B) <i>Capacity of Contract Market.</i>—The board of trade shall have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market.</p> <p>(C) <i>Requirement of Rules.</i>—The rules of the contract market shall provide the board of trade with the ability and authority to obtain any necessary information to perform any function described in this subsection, including the capacity to carry out such international information-sharing agreements as the Commission may require.</p>	<p>they are granted access to the Exchange.</p> <ul style="list-style-type: none"> • Impartial access. Rules 3.3 and 3.4 provide clear and transparent access criteria and other requirements for Participants. Rule 3.6 and 3.7 provide clear and transparent access criteria and other requirements for Authorized Users, and Rule 3.15 provides clear and transparent criteria and other requirements for Broker Firms accessing the Exchange on behalf of Participants. The Exchange will apply access criteria in an impartial manner, including through the application process described in Rule 3.3 and the Exchange Participant Committee review process described in Rule 2.4.3. Pursuant to Rule 2.4.3, the Exchange Participant Committee would need to approve any Rules that would result in different categories or classes of Participants receiving disparate access to the Exchange. Per Rule 3.12.1 fees across all participants will be published on the Exchange website, and, as described in <u>Exhibit K</u>, will be applied in a consistent manner. Sections 8.1, 8.2 and 15.3 of the Compliance Manual set forth policies and procedures designed to ensure that the Exchange’s access requirements are applied in a consistent and impartial manner. • Limitations on access. Failure of an applicant to demonstrate a capacity to comply with the requirements of the Rules or the Applicable Law may lead to a denial of the application under Rule 3.3. The hearing and appeals process described in Rule 2.4.3 will ensure that any such denial of access is applied in a fair and impartial manner. Access to the Exchange may also be suspended or revoked through the Exchange’s disciplinary process as described in Rule 7.14 and Rule 7.18. The hearing and appeals processes of the Exchange will ensure that such decisions are made in a fair and impartial manner. <i>See also</i> Section 8.1 of the Compliance Manual. <p>Abusive trading practices prohibited. Section VI of the Rules sets forth the Exchange’s code of conduct and specifically proscribes the following prohibited practices: trading ahead of customer orders (Rule 6.3), trading against customer orders (Rule 6.4), withholding customer orders (Rule 6.3), accommodation trading (Rule 6.2.10), improper cross trading (Rule 6.5), front-running (Rules 6.3), wash sales (Rule 6.2.10), impermissible pre-arranged trading (Rule 6.6), price manipulation, fictitious, non-competitive or artificial transactions (Rule 6.2.3), money passes (Rule 6.6), market disruption (Rule 6.2.5), market manipulation (Rule 6.2.4), and disruptive trading practices (Rule 6.2.7). The Exchange has also adopted broad Rules requiring Participants and Authorized Users to adhere to just and equitable principles of trade (Rule 6.2.2) and prohibiting Participants from engaging in acts detrimental to the welfare of the Exchange (Rule 6.2.12).</p> <p><i>See also</i> Compliance Manual Sections 3.2, 3.3 and 3.4.</p> <p>Capacity to detect and investigate rule violations. The Exchange has made adequate arrangements and has adequate resources to enforce its Rules. Pursuant to Rule 3.13.1, the Exchange has the right to inspect the</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>systems, equipment and software of Participants, and Rule 3.13.3 requires each Participant to provide the Exchange information concerning its business, as well as contracts executed on the Exchange and in related markets. Pursuant to Rule 7.2, each Participant is required to cooperate with an Exchange investigation by making an appearance and making its books and records available to the Exchange. As set forth in Section 3 of the Compliance Manual, the Market Regulation Department performs trade practice surveillance, market surveillance and real-time market monitoring to ensure that Participants, Broker Firms and Authorized Users adhere to the Rules of the Exchange.</p> <p>Regulatory Services Provider. The Exchange does not have a Regulatory Services Agreement with a Regulatory Services Provider (“RSP”) at this time; however, it may elect to engage a Regulatory Services Provider in the future.</p> <p>Compliance staff and resources. The Exchange has established sufficient compliance resources to ensure that it can conduct audit trail reviews, trade practice surveillance, market surveillance, real-time market monitoring and complete any inquiries or investigations in a timely manner. The Exchange’s compliance staffing and resources include: the Chief Regulatory Officer (“CRO”) and Exchange employees in the Market Regulation Department. <u>Exhibit E</u> provides a summary of the personnel qualifications for regulatory professionals and <u>Exhibit F</u> provides an analysis of staffing requirements necessary to carry out the regulatory program and qualifications of each key staff person.</p> <p>The Exchange will also monitor the size and workload of its compliance staff annually to ensure adequate resources. Pursuant to Rule 2.4.4 and <u>Exhibit C</u>, the Exchange’s Regulatory Oversight Committee (“ROC”) will assist the Board in monitoring the design, implementation and effectiveness of the Exchange’s regulatory program. The ROC will prepare an annual report assessing the effectiveness, sufficiency and independence of the Exchange’s self-regulatory program. The annual report will: (i) describe the Exchange’s self-regulatory program and its expenses, staffing and structure; (ii) catalogue disciplinary actions taken during the year; and (iii) review the performance of disciplinary committees and panels as well as the performance of the Chief Regulatory Officer. <i>See also</i> Sections 7 and 2.1 of the Compliance Manual.</p> <p>Automated trade practice surveillance and real-time market monitoring. As set forth in Section 3 of the Compliance Manual, the Exchange will use an automated trade surveillance system (“ATSS”) for daily surveillance and real-time monitoring. The ATSS loads and processes daily orders and trades no later than 24 hours after completion of trading day, with the Exchange making best efforts to load orders and trades to the ATSS on an hourly basis. The system has the capability to detect and flag specific trade execution patterns and trade anomalies; compute, retain, and compare trading statistics; compute trade gains, losses, and futures-equivalent positions; reconstruct the sequence of market activity; perform market analyses; and support</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>users to perform in-depth analyses and ad hoc queries of trade-related data. As set forth in Section 3.4 of the Compliance Manual, the Market Regulation Department conducts real-time market monitoring of trading activity on the Platform through the ATSS and real-time views of market activities.</p> <p>Pursuant to Rule 4.7.1, the Exchange may cancel or adjust trades when necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform or by system defects or malfunctions. The Exchange may review a trade based on its independent analysis of market conditions or upon request from a market participant. In such circumstances, the Exchange will notify Participants that a trade is under review.</p> <p>Investigations and Investigative Reports. Pursuant to Section VII of the Rules, the Market Regulation Department is authorized to investigate trading activities on the Exchange and initiate enforcement procedures to ensure compliance with the Rules. Pursuant to Section 7.2 of the Rules, the Market Regulation Department will commence an investigation upon the receipt of a request from Commodity Futures Trading Commission (“CFTC” or the “Commission”) staff or upon the discovery or receipt of information that indicates a possible basis for a finding that a violation has occurred or will occur. Pursuant to Rule 7.3, absent mitigating circumstances, all investigations must be completed within twelve months after the date the investigation is opened. The Market Regulation Department will prepare a written investigative report in accordance with Rule 7.3 regardless of whether the evidence gathered during an inquiry or investigation forms a reasonable basis to believe that a violation within the Exchange’s jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through a summary action. Any written investigative report will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, and the recommendation of the Market Regulation Department. Under Rule 7.3, investigations may be resolved through a warning letter; however, no more than one warning letter for the same potential violation may be issued to the same Participant during a rolling 12-month period. <i>See also</i> Section 4 of the Compliance Manual and <u>Exhibit P</u>.</p> <p>Ability and authority to obtain information and international information-sharing agreements. Rule 3.3.7 requires Participants to promptly provide information and documents reasonably requested by the Exchange and permits the Exchange to obtain such information or documents directly from any Clearing Member or from the Clearing House. Rule 7.2 requires Participants to cooperate with an Exchange investigation by making an appearance and making its books and records available to the Exchange. Pursuant to Rule 2.8, the Exchange may enter into information-sharing agreements, as the Commission may require, with any Person or body (including the Commission, the National Futures Association (“NFA”), any Self-Regulatory Organization, any exchange, market, or clearing organization, or foreign regulatory authority) to coordinate surveillance with</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>other markets on which financial instruments that are similar to the Exchange’s Contracts trade.</p>
<p>Core Principle 3 - Contracts Not Readily Subject to Manipulation: The board of trade shall list on the contract market only contracts that are not readily susceptible to manipulation.</p>	<p>The contract specifications are described in Appendix C to the Rules. The Exchange’s futures contracts are all financially settled and do not involve the physical delivery of commodities. The Exchange’s option contracts are all exercised into the relevant Exchange futures contract. The Exchange Contracts settle to prices published on well-established reference sources, including existing contract markets, such as ICE Futures Europe (“ICE”), the New York Mercantile Exchange (“NYMEX”) and the Chicago Board of Trade (“CBOT”), and, for power, by the relevant Independent System Operator (“ISO”) or Regional Transmission Organization (“RTO”). Each Exchange Contract specification outlines the source and specific reference price(s) that will be used for settlement and how settlement calculations will be made from these prices. The settlement calculations are based on industry standards. Because the reference sources publicly publish their prices on a same-day basis, the settlement of the Exchange Contracts is transparent to the market.</p> <p>All of the Exchange’s oil, natural gas, natural gas liquids and agricultural futures contracts are financially settled based on highly liquid, long standing NYMEX, ICE or CBOT contracts. Exchange Contracts will settle promptly upon publication of the final settlement prices in the NYMEX, ICE or CBOT markets, as applicable. These Exchange Contracts are financially settled based on liquid, third-party products and are, therefore, not readily susceptible to manipulation.</p> <p>The Exchange power markets are well established and regulated markets that are closely monitored by market monitoring units (“MMUs”) responsible to either the Federal Energy Regulatory Commission (“FERC”) and/or state public service commissions (“PUCs”). The MMUs continually review the markets for signs of trading anomalies that might signal intent to manipulate, and have the capacity to conduct investigations of potential manipulation and report manipulative activity to their regulator. The Commission assessed the ISO/RTO markets in a Notice of Proposed Order and Request for Comment proposing to exempt specified ISO/RTO transactions from certain provisions of the Act. <i>See</i> 77 Fed. Reg. 52137 (August 28, 2012) The Commission observed that even if RTO/ISO transactions serve as a source of settlement prices for transactions within the Commission’s jurisdiction, the RTOs/ISOs have monitoring systems to detect and deter manipulation in their markets that provide notification so that further investigation can be conducted. As a result of this guidance, the RTO/ISO prices are a trusted reference price for financial power transactions.</p> <p>All power contracts offered on the Exchange are financially settled to average prices based on external reference points monitored by FERC or PUCs. The Exchange power contracts, therefore, are not readily susceptible to manipulation.</p>
<p>Core Principle 4 - Prevention of Market</p>	<p>General Requirements. Pursuant to Rule 2.4.4, the ROC will oversee all facets of the Exchange’s regulatory</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>Disruption: The board of trade shall have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and enforcement practices and procedures, including—</p> <p>(A) methods for conducting real-time monitoring of trading; and</p> <p>(B) comprehensive and accurate trade reconstructions.</p>	<p>program, including: (a) trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants (including compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations; (b) reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel; (c) reviewing the performance of the CRO of the Exchange, who will report directly to the ROC; (d) recommending changes that would ensure fair, vigorous, and effective regulation; and (e) reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation.</p> <p>Under the oversight of the ROC, the Market Regulation Department will implement the Exchange’s monitoring, surveillance and other enforcement functions. The Rules and the Compliance Manual provide the framework for the Exchange’s surveillance and enforcement activities. As described in the Compliance Manual Section 3, the Exchange’s ATSS allows the Market Regulation Department to monitor trading activity on the Exchange. As set forth in Section 3 of the Compliance Manual, the ATSS captures all trade and Order data, including modifications and cancellations, and allows the Market Regulation Department to monitor for price manipulation, price distortions and other suspicious activity.</p> <p>The Market Regulation Department views trading activity on the Exchange using the ATSS and real-time views-through which the Market Regulation Department can track the activity of specific traders, monitor price and volume information and is alerted to any market messages. The Market Regulation Department uses the data collected by the ATSS to monitor market conditions, price movements, volumes and detect suspicious activity such as manipulation, disruptive trading and other abnormal market activity.</p> <p>The Exchange has established comprehensive audit trail processes that capture trading information to facilitate the surveillance activities described above. See Section 3.5 of the Compliance Manual for additional information.</p> <p>Physical-delivery contracts. The Exchange will not list products that are physically delivered. If the Exchange lists such a product in the future, the Exchange will monitor the Exchange Contract’s terms and conditions as they related to the underlying commodity market, the convergence between the contract price and the price of the underlying commodity and the adequacy of the deliverable supply in the underlying commodity.</p> <p>Cash-settled contracts. The Exchange will monitor reference prices in venues that its contracts settle against, and will engage in information sharing to access information on the activities of its traders in reference markets and make applicable requests of Participants or Clearing Members for information. Per Compliance Manual</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>Section 3.6, in respect of each cash-settled Contract that is linked to a commodity index listed for trading on or pursuant to Exchange Rules, the Market Regulation Department will monitor the pricing of the index against which the Exchange Contract will be settled. To achieve sufficient monitoring of cash-settled Contracts linked to a price or index derived from prices of products listed for trading on another venue, the Exchange must have either Rules or agreements that allow the Exchange to have access to information on the activities of its Participants and Authorized Users on such other venue(s).</p> <p>Ability to obtain information. The Exchange requires Participants to keep records of their trading, including records of their activity in the underlying commodity and related derivatives markets, and make such records available, upon request, to the Exchange. Pursuant to Rule 4.9.1, Participants that access the Exchange electronically are responsible for maintaining Audit Trail information for all electronic orders. Audit Trail information must be maintained for a minimum of five years and Participants must produce Audit Trail data in a standard format upon request of the Exchange. Participants must submit to the Exchange a daily report (a “Large Trader Report”) of all positions at or above the reportable level of an Exchange Contract established pursuant to Rule 6.10. All Large Trader Reports shall be submitted in a form and manner acceptable to the Exchange. Section 3.3.3 of the Compliance Manual sets forth the Exchange’s policies and procedures for positions on the Exchange.</p> <p>Risk controls for trading. As described in Section 9 of the Compliance Manual, the Exchange has adopted certain risk controls, including the imposition of trading pauses or halts, to address risks posed by potential market disruptions. To the extent practicable, the Exchange will coordinate its trading controls with other Contract Market(s).</p> <p>Trade reconstruction. The Exchange has the ability to reconstruct all trading on the Platform. As set forth in Section 3 of the Compliance Manual, the Exchange will maintain a comprehensive audit trail data through its market surveillance, market monitoring and ATSS systems that will allow the Exchange to accurately reconstruct all trading on the Exchange. This data will be made available to the Commission in a form acceptable to the Commission.</p>
<p>Core Principle 5 - Position Limitations or Accountability: (A) <i>In General.</i>—To reduce the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the</p>	<p>Exchange Rules 6.8, 6.9 and 6.11 set forth the Exchange’s position limit, position accountability and aggregation rules. Appendix B of the Rules sets forth the specific positions limits that the Exchange will adopt upon designation. Under Rule 6.9, the Exchange will establish position limits for all Exchange Contracts unless position accountability levels are appropriate under Commission Regulation 150.5(e). Rule 6.11 sets forth applicable aggregation rules.</p> <p>No Person may exceed the position limits set forth in the Rules, unless an exemption is granted by the Exchange.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>board of trade, as is necessary and appropriate, position limitations or position accountability for speculators.</p> <p>(B) <i>Maximum Allowable Position Limitation.</i>—For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a), the board of trade shall set the position limitation of the board of trade at a level not higher than the position limitation established by the Commission.</p>	<p>Section 11 of the Compliance Manual describes the Exchange’s process for monitoring for violations of positions limits or accountability levels and granting hedge exemptions. Section 11.5 of the Compliance Manual provides that the Exchange system will aggregate positions held by related parties.</p> <p>Rule 6.10 requires Participants to cause their Clearing Members to submit a daily report of all reportable positions at or above the reportable position level. Clearing Members are also required to complete CFTC Form 102 (Identification of Special Accounts) identifying the owner, any controlling parties and any additional required information for each reportable account.</p> <p>Pursuant to Rule 4.1.3, the Exchange may impose or modify trading limits, position limits or order the reduction of positions in the event of an Emergency.</p> <p>See also Core Principle 6 (Emergency Authority).</p> <p>Compliance. The Exchange will sanction Participants for violating their obligations to observe position limits and/or position accountability levels pursuant to Section VII of the Rules and Section 11.7 of the Compliance Manual.</p>
<p>Core Principle 6 - Emergency Authority: The board of trade, in consultation or cooperation with the Commission, shall adopt rules to provide for the exercise of emergency authority, as is necessary and appropriate, including the authority—</p> <p>(A) to liquidate or transfer open positions in any contract;</p> <p>(B) to suspend or curtail trading in any contract; and</p> <p>(C) to require market participants in any contract to meet special margin requirements.</p>	<p>The Exchange has adopted procedures and guidelines for implementing an emergency intervention in the market. Under Rule 4.1.3, the Board may implement Emergency Rules, subject to applicable provisions of the CEA and CFTC Regulations. Emergency Rules may require or authorize the Exchange, the Board, any committee of the Board, the Chief Executive Officer or any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions: (a) suspending or curtailing trading or limiting trading to liquidation only (in whole or in part); (b) extending or shortening the last trading date for Exchange Contracts; (c) providing alternative settlement mechanisms; (d) ordering the liquidation of Transactions, the fixing of a settlement price, or the reduction of positions; (e) extending, limiting or changing the Trading Hours; (f) temporarily modifying or suspending any provision of the Rules; (g) requiring Participants to meet special margin requirements; (h) imposing or modifying trading limits, price limits and/or position limits; and/or (i) any other action as directed by the Commission.</p> <p>Pursuant to Rule 4.1.3, before any Emergency Rules may be adopted and enforced, the Board must approve the enforcement of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the Chief Executive Officer, or in his or her absence, another Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then such Officer shall have the authority, without Board action, to implement any</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Officer must convene a meeting as soon as practicable.</p> <p>Whenever the Exchange, the Board, any committee of the Board, or an Officer takes actions necessary or appropriate to respond to an Emergency, a duly authorized representative of the Exchange will notify Participants and the Commission as promptly as reasonably practicable. If the Emergency is related to a Contract that is fungible with financial products traded on another platform, the Exchange will attempt to coordinate its response with any directions received from the Commission or the Commission staff. The Exchange will use reasonable efforts to notify the Commission prior to implementing, modifying or terminating an Emergency Rule. If prior notification is not possible or practicable, the Exchange will notify the Commission as soon as reasonably practicable, but in all circumstances within 24 hours.</p> <p>Emergency actions taken pursuant to Rule 4.1.3 are subject to the conflict of interest provisions set forth in Rule 2.6.</p>
<p>Core Principle 7 - Availability of General Information: The board of trade shall make available to market authorities, market participants, and the public accurate information concerning—</p> <ul style="list-style-type: none"> (A) the terms and conditions of the contracts of the contract market; and (B) <ul style="list-style-type: none"> (i) the rules, regulations, and mechanisms for executing transactions on or through the facilities of the contract market; and (ii) the rules and specifications describing the operation of the contract market’s electronic matching platform; or trade execution facility. 	<p>General. As described in Sections 10.2 and 10.3 of the Compliance Manual, the Exchange will post the following information on its website www.EOXLive.com: (i) the terms and conditions of Exchange Contracts; (ii) the Rules and regulations for trading on the Exchange; and (iii) the specifications of the Exchange Platform.</p> <p>Accuracy. The Exchange will only provide information to the Commission, market participants and the general public that it believes is accurate and complete and will not omit material information.</p> <p>Notice of Regulatory Submissions. Section 5.2 of the Compliance Manual describes the Exchange’s process for preparing and filing new rules and rule amendments as well as memos regarding the application and interpretation of the Rules. Such information will be publicly disclosed as set forth in Section 10.3 of the Compliance Manual.</p> <p>Rulebook. The Exchange will ensure that the Rules posted on its website are accurate, complete, current and readily accessible to the public. The Exchange will publish all new or amended rules, both substantive and non-substantive, on the date of implementation of such new or amended rule, on the date a new product is listed, or on the date any changes to previously-disclosed information take effect.</p>
<p>Core Principle 8 - Daily publication</p>	<p>Consistent with Rule 4.4.5, the Exchange will publish daily information on settlement prices, volume, open</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>of Trading Information: The board of trade shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market.</p>	<p>interest and opening and closing ranges for actively traded Exchange Contracts on its website. The Exchange’s volume information will include information on the volume of Block Trades. Such trading information will be published on the Exchange website at the end of each Business Day.</p>
<p>Core Principle 9 - Execution of Transactions: (A) <i>In General.</i>—The board of trade shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade. (B) <i>Rules.</i>—The rules of the board of trade may authorize, for bona fide business purposes— (i) transfer trades or office trades; (ii) an exchange of futures in connection with a cash commodity transaction; futures for cash commodities; or futures for swaps; or (iii) a futures commission merchant, acting as principal or agent, to enter into or confirm the execution of a contract for the purchase or sale of a commodity for future delivery if the contract is reported, recorded, or cleared in accordance with the rules of the contract market or a DCO.</p>	<p>The Exchange operates an electronic trading facility that provides Participants with the ability to execute central limit order book Screen Transactions from the interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm. <u>Exhibit Q</u> describes the Exchange’s trading platform and matching engine.</p> <p>As described in Rule 4.4.3, all Orders submitted to the Platform will be matched in price/time priority in accordance with one or more algorithms, except for transfer trades and Block Trades. Rule 4.4.2 specifies the types of Orders that will be accepted by the Platform and Rule 4.4.1 governs the submission of Orders by Participants, Broker Firms and Authorized Users.</p> <p>Rule 4.5 allows Participants to execute Block Trades as long as the following conditions are met: (i) the quantity of a Block Trade must exceed the minimum block transaction size set by the Exchange; (ii) each Participant entering into a Block Trade must be an Eligible Contract Participant; (iii) a Broker Firm may submit a Block Trade to the Exchange provided that the Participants involved have consented to or provided instructions to execute Block Trades; (iv) the price at which the Block Trade is executed must be fair and reasonable; (iv) information identifying the relevant Exchange Contract, contract month(s), price, quantity, time of execution, counterparty and Clearing Member for each Block Trade must be reported to the Exchange within fifteen minutes of execution; and (v) Broker Firms and Participants involved in the execution of Block Trades must maintain written or electronic records of all Block Trades.</p> <p>As described in Sections 3.3.6 and 16 of the Compliance Manual, the Market Regulation Department will perform market monitoring and surveillance for Block Trades.</p> <p>Rule 4.6 permits transfer trades that are conducted for administrative purposes with approval by the Exchange. Transfer trades may be utilized to move positions between Customer Accounts or Clearing Member accounts as long as there is no change in beneficial ownership. Position transfers do not contribute to any reported Exchange volumes, price, or trading range information.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>The Exchange will conduct periodic objective testing and review of the Platform to ensure it is reliable, secure and scalable as described in Exhibit V and Section 14 of the Compliance Manual.</p>
<p>Core Principle 10 - Trade Information: The board of trade shall maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information—</p> <p>(A) to assist in the prevention of customer and market abuses; and</p> <p>(B) to provide evidence of any violations of the rules of the contract market.</p>	<p>The Exchange Rules and Compliance Manual provide the framework for the Exchange’s process for recording and storing all trade information and audit trail data necessary to detect, investigate and prevent customer and market abuses.</p> <p>Audit trail and acceptable program. As described in Section 3.5 of the Compliance Manual, the Exchange has established audit trail processes that capture trading information to facilitate the Exchange’s trade practice and market surveillance activities. The audit trail program is based on original source documents that are unalterable, sequentially identified records.</p> <p>The audit trail also includes an electronic transaction history database that contains a history of all Orders as well as the following: (i) all data entered into the trade entry / order matching system to allow the transaction to match and clear; (ii) the categories of market participant for which each trade is executed, including the identification of the account for which the trade was executed; (iii) timing and sequencing data enabling each order to be reconstructed; and (iv) identification of each account to which fills were allocated. All audit trail data contained in the transaction database is organized in a manner that allows the Market Regulation Department to search, sort and present the information in order to reconstruct trading and identify potential violations.</p> <p>All data gathered as part of the audit trail is maintained in accordance with the Commission’s recordkeeping requirements. In addition, such data is kept in a manner that does not allow for unauthorized alteration, erasure or other potential loss.</p> <p>Additional information regarding the Exchange’s safe storage capability is provided in Exhibit S.</p> <p>Enforcement of audit trail requirements. Pursuant to Section 7.1 of the Compliance Manual, the Exchange reviews audit trail arrangements at least annually to assess compliance by Participant and Authorized Users with the Exchange’s recordkeeping requirements. Upon completion of such review, the Exchange identifies the Participants that have demonstrated deficiencies in complying with the audit trail requirements and may sanction such Participants for purposes of deterring future violations. Such sanctions are subject to the restrictions on warning letters described in Rule 7.3.</p>
<p>Core Principle 11 - Financial Integrity of Transactions: The board of trade shall establish and enforce—</p>	<p>The Exchange has established a comprehensive set of Rules and procedures to ensure the financial integrity of transactions entered into on the Exchange and to safeguard customer funds.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>(A) rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market (including the clearance and settlement of the transactions with a derivatives clearing organization); and</p> <p>(B) rules to ensure—</p> <ul style="list-style-type: none"> (i) the financial integrity of any— <ul style="list-style-type: none"> (I) futures commission merchant; and (II) introducing broker; and (ii) the protection of customer funds. 	<p>Mandatory clearing. The Exchange has entered into a Clearing Services Agreement with LCH.Clearnet LLC (<u>Exhibit T-1</u>).</p> <p>Rule 4.4.4 provides that all matched trades generated by the matching engine after the application of Trade Risk Limits give rise to binding Transactions between the applicable Participants, which will be automatically submitted to the Clearing House for registration and novation, as described in Section V of the Rules. Rule 5.1.1, in turn, provides that all Transactions shall be submitted to a Clearing House in accordance with the rules of the Clearing House. Rule 5.1.2 similarly provides that Block Trades will be submitted to a Clearing House in accordance with the rules of the Clearing House. As provided in Rule 5.2.1, all Participants must be an Individual Clearing Member or have an agreement with an FCM Clearing Member that guarantees such transactions and establishes an account for the Participant for the purpose of clearing the Participant’s Transactions through the Clearing House. A Clearing Member must guarantee and assume financial responsibility for all Exchange Contracts of each Participant guaranteed by it, and will be liable for all trades made by such Participant. Each Participant that is not a Clearing Member and desires to enter into transactions in Exchange Contracts must obtain the prior authorization from a FCM Clearing Member, per the Clearing Authorization Form attached as <u>Exhibit N-7</u>.</p> <p>Rule 5.5 provides that clearing services provided by a Clearing House with respect to any Exchange Contract, and the rights and obligations of purchasers and sellers under cleared Exchange Contracts, will be governed by the rules of the Clearing House, except as otherwise provided in the Rules or notices issued from time to time by the Exchange. <i>See also</i> Compliance Manual Section 12.1 Mandatory Clearing.</p> <p>General financial integrity. Rule 3.4 sets out the minimum financial requirements for Participants and requires Participants to qualify as Eligible Contract Participants at all times. Sections 8.4 and 12.2 of the Compliance Manual provides the Exchange’s policies and procedures for ensuring that Participants comply with the minimum financial standards and for monitoring member financial soundness. Rule 3.4.3 further requires a Participant that is not registered with the Commission to submit annual audited financial statement certified by a certified independent public accountant (or a person similarly qualified if outside the United States) within 90 days of such Participant’s fiscal year-end.</p> <p>Protection of customer funds. Under Rule 3.16, any Broker Firm or Clearing Firm that is required to be registered with the Commission as an FCM must comply with the Applicable Law related to the treatment of Customer funds and the maintenance of books and records with respect to Customer funds. The Clearing House further has rules for Clearing Member as specified in the Clearing Services Agreement attached as <u>Exhibit T</u> and in the Clearing House rules. Under Section 12.2 of the Compliance Manual, in the event of a Clearing Member or Derivatives Clearing Organization default, the Exchange will review the default rules and</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>procedures of any derivatives clearing organization that clears Exchange Contracts to wind down operations, transfer positions or otherwise protect customers, as applicable.</p> <p>Financial surveillance. Section 12 of the Compliance Manual sets forth the Exchange’s financial surveillance policies and procedures for Participants and Broker Firms. The Exchange monitors the positions of its Participants and Broker Firms that are registered FCMs in order to determine whether each Participant is in compliance with the applicable Exchange and Commission rules and regulations governing minimum net capital and related financial requirements, the obligation to segregate customer funds and the financial reporting and recordkeeping requirements.</p> <p>Direct access. Pursuant to Rule 5.2.4, Clearing Members must set risk limits and have the right to suspend trading in a Participant’s Customer Account(s).</p>
<p>Core Principle 12 - Protection of Markets and Market Participants: The board of trade shall establish and enforce rules—</p> <p>(A) to protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and</p> <p>(B) to promote fair and equitable trading on the contract market.</p>	<p>Section VI of the Rules protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. As described in Section 3 of the Compliance Manual, the Exchange will conduct trade practice surveillance, market surveillance and market monitoring programs to promote fair and equitable trading and detect abuses. Improper conduct and trade practices will be investigated and disciplined pursuant to Section VII of the Rules and Section 4 of the Compliance Manual.</p> <p>As described in the Compliance Manual, the Market Regulation Department will use the ATSS to perform real-time market monitoring and surveillance.</p> <p><i>See also</i> Core Principle 2, Core Principle 4 and Core Principle 13.</p>
<p>Core Principle 13 - Disciplinary Procedures: The board of trade shall establish and enforce disciplinary procedures that authorize the board of trade to discipline, suspend, or expel members or market participants that violate the rules of the board of trade, or similar methods for performing the same functions, including delegation of the functions to third parties.</p>	<p>Section VII of the Rules describes the Exchange’s procedures for disciplining, suspending or expelling Participants that violate the Rules. As described in the Compliance Manual Section 4, the Market Regulation Department will conduct inquiries and investigations arising from the Exchange’s real-time market monitoring, trade practice surveillance, market surveillance and financial surveillance. In the event such investigations result in further Disciplinary Proceedings, Rule 7.3 provides procedures regarding informal disposition, service of notice, answers to charges, settlements, hearings, appeals, sanctions (which may include may include limitation or termination of trading privileges, censure, restitution, suspension and/or fines), summary actions and rights and responsibilities after suspension or termination.</p> <ul style="list-style-type: none"> • Enforcement staff. The Market Regulation Department is responsible for enforcing the Rules and conducting investigations into alleged violations of the Rules. The Market Regulation Department consists of the CRO

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>and additional Exchange employees. As described in Rule 2.4.4, the ROC will review the size and allocation of regulatory resources and number of regulatory personnel to ensure that the Exchange has adequate enforcement staff. Rule 2.6 ensures that any person with a conflict of interest will not be permitted to participate in an Exchange enforcement action or disciplinary panel.</p> <ul style="list-style-type: none"> • Disciplinary Panels. Pursuant to Rule 1.34, a Disciplinary Panel will consist of one or more Review Panel(s) and one or more Hearing Panel(s). Review Panels are responsible for reviewing investigative reports in order to determine whether a reasonable basis exists for finding a violation of the Rules and for authorizing the issuance of notices of charges. Hearing Panels are responsible for conducting hearings in connection with any Disciplinary Proceedings (except for summary impositions of fines pursuant to Rule 7.17), to make findings, render decisions, and impose sanctions. Each Review Panel and Hearing Panel will be composed of three individuals. All members of Disciplinary Panels must meet the eligibility criteria provided in Rule 2.6. • Notice of and answer to charges. Pursuant to Rule 7.5, the Market Regulation Department will prepare, and serve in accordance with Rule 7.7, a notice of charges, if the Review Panel authorizes disciplinary proceedings. The notice of charges will: (i) state the acts, practices or conduct in which the respondent is alleged to have engaged; (ii) state the Rule or Applicable Law alleged to have been violated or about to be violated; (iii) advise the respondent of its right to a hearing; (iv) state the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges; (v) advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and (vi) advise the respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted. • Right to representation. Under Rule 7.5(c), upon being served with a notice of charges, the respondent has the right to be represented by legal counsel or any other representative of its choosing (other than a Board member, member of an applicable Disciplinary Panel, Exchange employee or other person substantially related to the underlying investigation) in all succeeding stages of the Disciplinary Proceedings. • Answer to charges. Under Rule 7.6, if the respondent answers a notice of charges, the respondent must file its response within 20 days after being served the notice, or within such other time period determined appropriate by the chairperson of the Review Panel. Rule 7.6 also sets forth the requirements for the answer, the consequences of failing to file a timely answer, and the consequences of failing to deny the allegations described in the notice of charges. Pursuant to Rule 7.8, a respondent or potential respondent may, at any time, submit a written offer to settle anticipated or instituted disciplinary proceedings. The Disciplinary Panel may accept the offer of settlement, but may not alter the terms of a settlement offer. • Denial of charges. Pursuant to Rule 7.5(b) a respondent will have not less than 20 days following the issuance of a notice of charges to request a hearing. A respondent may also request a hearing following a summary action under Rule 7.18. • Hearings. Rules 7.9, 7.10, 7.11 and 7.12 establish detailed procedures for forming a Hearing Panel, convening

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>a disciplinary proceeding, reviewing evidence and conducting hearings.</p> <ul style="list-style-type: none"> • Decisions. Pursuant to Rule 7.13, following a hearing, the Hearing Panel will issue an order rendering its decision based on the weight of the evidence. A decision by a majority of the Hearing Panel will constitute the decision of the Hearing Panel. The Exchange will serve a copy of the order of the Hearing Panel to the respondent and the Market Regulation Department. The order will include: (i) the notice of charges or summary of the allegations; (ii) the answer, if any, or a summary of the answer; (iii) a brief summary of the evidence introduced at the hearing (or, where appropriate, incorporation by reference of the investigative report); (iv) findings of fact and conclusions concerning each allegation, including each specific Rule that the respondent is found to have violated; (v) the imposition of sanctions, if any, and the effective date of each sanction; and (vi) notice of the respondent’s right to appeal pursuant to Rule 7.16. • Final decisions. Rule 7.16 provides appeal procedures that allow the respondent to appeal an adverse decision of the Hearing Panel to an Appeal Panel. The Appeal Panel’s written order will be the final action of the Exchange and is not subject to appeal within the Exchange. • Warning letters. 7.3.f provides the policy for warning letters. <p>See <u>Exhibit P</u> for further description of the Exchange’s disciplinary procedures.</p>
<p>Core Principle 14 - Dispute Resolution: The board of trade shall establish and enforce rules regarding, and provide facilities for alternative dispute resolution as appropriate for, market participants and any market intermediaries.</p>	<p>Section VIII of the Rules provides for the resolution of disputes between or among Participants, Authorized Users or Broker Firms arising from any Exchange Contract or one or more transactions made or to be made on the Exchange Platform or subject to the Exchange Rules. NFA will conduct such arbitrations pursuant to NFA’s member arbitration rules, as if each party to such arbitration was an “NFA Member.”</p> <p>The Exchange’s arbitration rules do not apply to disputes between Participants if: (i) such Participants are required by the rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or (ii) such Participants have, by valid and binding agreement, committed to arbitrate or litigate in a forum other than NFA.</p> <p>See <i>also</i> Section 17 of the Compliance Manual and the NFA arbitration agreement attached as <u>Exhibit N-4</u>.</p>
<p>Core Principle 15 - Governance Fitness Standards: The board of trade shall establish and enforce appropriate fitness standards for directors, members of any disciplinary committee, members of the contract market, and any other person with direct</p>	<p>Persons involved in the governance of, and persons trading on, the Exchange will be subject to fitness and eligibility criteria under the Rules. More specifically, Board members, individuals serving on a committee established by the Board, any Disciplinary Panel or Appeal Panel, as well as individuals holding a 10% or greater ownership interest in the Exchange, will be subject to fitness standards under Rule 2.3. The Exchange has a policy requiring the foregoing persons to provide supporting documentation that substantiates such person’s compliance with the applicable standards. See Section 15.6 of the Compliance Manual.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>access to the facility (including any party affiliated with any person described in this paragraph).</p>	<p>Participants will be subject to eligibility standards under Rule 3.3, and Authorized Users and Broker Firms will be subject to eligibility standards provided in Rules 3.7 and 3.15, respectively. Under Rule 3.3.9, each prospective Participant is required to complete an application, which will be used to verify that the Participant meets the eligibility criteria. Rules 3.4.3 and 3.4.4 require each Participant to meet the eligibility criteria on an ongoing basis. Section 8.2 of the Compliance Manual provides the Exchange’s procedures for obtaining supporting information from Participants, Authorized Users and any other Person with direct access to ensure that they meet the Exchange’s fitness standards and eligibility requirements.</p> <p>Pursuant to Section 7.6 of the Compliance Manual, the Market Regulation Department will review at least annually that Board members and officers meet fitness standards, and that Public Directors meet Commission requirements to serve as Public Directors.</p> <p><u>Exhibit C</u> provides additional information regarding the fitness standards for the Board of Directors.</p>
<p>Core Principle 16 - Conflicts of Interest: The board of trade shall establish and enforce rules—</p> <p>(A) to minimize conflicts of interest in the decision making process of the contract market; and</p> <p>(B) to establish a process for resolving conflicts of interest described in subparagraph (A).</p>	<p>Rule 2.1.4 minimizes conflicts of interest by requiring at all times that not less than 35% of the Directors (but not fewer than two individuals) be Public Directors. The qualification requirements for Public Directors are set forth in Rule 2.1.8. Rule 2.5.1 limits the use and disclosure of material non-public information gained in connection with a member’s participation on the Board or any committee for any purpose other than the performance of his or her official duties as a member of the Board or committee. Rule 2.11.1 and Section 7.5 of the Compliance Manual require a written report to be sent to the CFTC in the event that the Board rejects a recommendation of, or supersedes an action of, the ROC.</p> <p>As described in more detail in Rule 2.4.4 and Section 16.2 of the Compliance Manual Section, the Exchange will have a ROC that is composed solely of Public Directors. The ROC will oversee the Exchange’s regulatory program on behalf of the Board, which role includes supervising the Chief Regulatory Officer (Rule 2.4.4(c)) in minimizing conflicts of interest.</p> <p>Rule 2.6 provides the Exchange rules for minimizing and resolving conflicts of interest. Under Rule 2.6, no member of the Board or any Disciplinary Panel or Appeal Panel will participate in such body’s deliberations and voting on any significant action if such member: (i) is a named party in interest; (ii) is an employer, employee or fellow employee of a named party in interest; (iii) has any other significant, ongoing business relationship with a named party in interest; (iv) has a family relationship with a named party in interest; or (v) has a direct and substantial financial interest in the result of the vote. Rule 2.6 also requires documentation of all conflicts of interest and establishes a process for resolving conflicts of interest. <i>See also</i> Section 14.5 of the Compliance Manual.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
	<p>Under Rule 7.9, Hearing Panels are precluded from allowing any group or class of industry participants to dominate or exercise disproportionate influence over the panel. Rule 7.16 provides for appeal of a Hearing Panel’s decision to an Appeal Panel. Pursuant to Rules 7.4, 7.9 and 7.16, a respondent may seek to disqualify any individual named to a Disciplinary Panel or Appeal Panel due to a conflict of interest or for any other reasonable grounds.</p> <p><i>See also Exhibit C</i> and Core Principle 2 (Compliance with Rules); Core Principle 4 (Prevention of Market Disruption); and Core Principle 17 (Composition of Governing Boards of Contract Markets).</p>
<p>Core Principle 17 - Composition of Governing Boards of Contract Markets: The governance arrangements of the board of trade shall be designed to permit consideration of the views of market participants.</p>	<p>The Board of Directors of the Exchange shall consist of five directors, two of which will be Public Directors as defined in Commission Regulations. As such, 40% of the Board of Directors will be Public Directors. Pursuant to Rule 2.4.1, the Board has the three following standing committees: the Nominating Committee (Rule 2.4.2), the Exchange Participant Committee (Rule 2.4.3), and the ROC (Rule 2.4.4). The Committee charters are attached to <u>Exhibit C</u>.</p> <p>As described in Rule 2.4.2, the Nominating Committee consists of at least 51% Public Directors and will be chaired by a Public Director. The Nominating Committee is responsible for (i) identifying individuals qualified to serve on the Board, consistent with criteria established by the Board and any composition requirement established by the Commission; and (ii) administering a process for the nomination of individuals to the Board.</p> <p>As described in Rule 2.4.3, the Exchange Participant Committee consists of at least 35% Public Directors. The Exchange Participant Committee is responsible for (i) determining the standards and requirements for initial and continuing Participant eligibility, (ii) reviewing appeals of staff denials of Participant applications, and (iii) approving Rules that would result in different categories or classes of Participants receiving disparate access to the Exchange. The Exchange Participant Committee may not, and may not permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.</p> <p>As described in Rule 2.4.4, the ROC consists solely of Public Directors. The ROC oversees the Exchange’s regulatory program on behalf of the Board.</p> <p>The initial composition contemplated for the Board is described further in <u>Exhibit B</u>. Fitness standards applicable to members of the Board are described in <u>Exhibit C</u>. <i>See also</i> Sections 2.1 and 15 of the Compliance Manual.</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>Core Principle 18 - Recordkeeping: The board of trade shall maintain records of all activities relating to the business of the contract market—</p> <p>(A) in a form and manner that is acceptable to the Commission; and</p> <p>(B) for a period of at least 5 years.</p>	<p>The Exchange’s recordkeeping program satisfies the relevant criteria set forth in Commission Regulation 1.31. As described in Section 13.4 of the Compliance Manual, the Exchange retains a back-up copy of all books and records through a disk-based back-up and recovery software that fulfills the criteria set forth in CFTC Regulation 1.31(b). Exhibit S-2 provides the representation affirming that the Exchange’s electronic storage system meets the requirements set forth in Commission Regulation 1.31(b)(ii).</p> <p>Under Rule 2.7.1, the Exchange will (i) keep, or cause to be kept, complete and accurate books and records of accounts of the Exchange, including all books and records required to be maintained pursuant to the CEA and Commission Regulations, and (ii) retain all such books and records for at least five years, making such books and records readily accessible for inspection by the Commission and the U.S. Department of Justice during the first two years of such five-year period.</p> <p>Under Rule 9.3, the Exchange may record conversations and retain copies of electronic communications between Exchange Officials and Participants, Broker Firms and their Authorized Users or other agents.</p> <p>In addition, the Exchange maintains records of Board meetings in accordance with the Compliance Manual and the Operating Agreement, as it may be amended from time to time.</p> <p><u>Exhibit S</u> describes the procedures for maintaining trade data for transactions on the Exchange. Compliance Manual Section 13, in its entirety, addresses recordkeeping policy and procedure.</p>
<p>Core Principle 19 - Antitrust Considerations: Unless necessary or appropriate to achieve the purposes of this Act, the board of trade shall not—</p> <p>(A) adopt any rule or taking any action that results in any unreasonable restraint of trade; or</p> <p>(B) impose any material anticompetitive burden on trading on the contract market.</p>	<p>The Exchange’s Rules and policies have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. The Exchange will not require Participants to acquire an equity interest in the Exchange and access will be available to a broad number of Participants.</p> <p>Under Rule 2.4.3, the Exchange Participant Committee may not, and may not permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly-situated categories or classes of Participants. Under Rule 4.4.3, the Exchange matches and awards orders based on an algorithm, without discrimination among different categories or classes of Participants. Moreover, pursuant to Rule 4.4.5, the Exchange will make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded Exchange Contracts. Trading information will be published on the Exchange website at the end of the day. <i>See also</i> Core Principle 8 and Core Principle 9.</p>
<p>Core Principle 20 - System Safeguards: The</p>	<p>Risk analysis and oversight program. The Exchange has developed a program of risk analysis and oversight to</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>board of trade shall:</p> <p>(A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and the development of automated systems, that are reliable, secure, and have adequate scalable capacity;</p> <p>(B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for the timely recovery and resumption of operations and the fulfillment of the responsibilities and obligations of the board of trade; and</p> <p>(C) periodically conduct tests to verify that backup resources are sufficient to ensure continued order processing and trade matching, price reporting, market surveillance, and maintenance of a comprehensive and accurate audit trail.</p>	<p>identify and minimize sources of operational risk through the development of appropriate controls and procedures. This program is described in Exhibit V, which includes information regarding the Exchange’s organizational structure, controls to ensure fair and equitable trading, risk management program, audit program, external risk assessment reviews, software change management, patch management, event and problem management, and security incident handling program. <i>See also</i> Section 14 of the Compliance Manual and Exhibit V-3, Event and Problem Management Policy, Exhibit V-1 Enterprise Information Security Policies, Exhibit V-16, Vendor Management Policy and Exhibit V-21, Enterprise Risk Management and Audit Program.</p> <p>Reliable, secure, and scalable systems. Exhibit V also includes information regarding the Exchange systems and architecture, network topology, functional testing, systems development methodology, information security, physical security, and capacity planning. <i>See also</i> Exhibit V-2, the Exchange’s Software Development Life Cycle policies and procedures.</p> <p>Emergency procedures, back-up and disaster recovery. Exhibit V describes the Exchange’s emergency plan and includes a description of the back-up systems and emergency procedures, including recovery time objectives. <i>See also</i> Exhibit V-13, the Exchange’s Business Continuity and Disaster Recovery Plan (“BCDRP”). <i>See also</i> Section 14.2 of the Compliance Manual. In addition, during an emergency, Exchange Rule 4.1.3 authorizes the Exchange to implement temporary emergency procedures and rules. <i>See also</i> Section 3.7 of the Compliance Manual and Core Principle 6.</p> <p>Periodic testing. Under the BCDRP, the Exchange has procedures to conduct failover tests twice a year to ensure that backup resources are sufficient to ensure continued order processing and trade matching, price reporting, market surveillance, and maintenance of a comprehensive and accurate audit trail. <i>See</i> Exhibit V-13 – BCDRP and Section 14.4 of the Compliance Manual.</p>
<p>Core Principle 21 - Financial Resources:</p> <p>(A) <i>In General.</i>—The board of trade shall have adequate financial, operational, and managerial resources to discharge each responsibility of the board of trade.</p> <p>(B) <i>Determination of Adequacy.</i> —The financial resources of the board of trade shall be considered to be adequate if the value of the financial resources exceeds the total amount</p>	<p>In general. The Exchange has adequate financial, operational, and managerial resources to discharge each responsibility of the Exchange. In the application, please see:</p> <ul style="list-style-type: none"> • Exhibit E: the personnel qualifications for each category of professional employees employed by the Exchange. • Exhibit F: an analysis of staffing requirements necessary to carry out the operations of the Exchange as a designated contract market, and the name and qualifications of each key staff person. <p><i>See also</i> Section 7 of the Compliance Manual.</p> <p>Determination of adequacy. As required by Commission Regulations, the financial resources of the Exchange exceed the total amount that would enable the Exchange to cover its operating costs for a one-year period, as calculated on a rolling basis. In preparing these financial resources calculations, the Exchange will apply</p>

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT EXCHANGE DOCUMENTS, RULES AND AGREEMENTS
<p>that would enable the contract market to cover the operating costs of the contract market for a 1-year period, as calculated on a rolling basis.</p>	<p>“haircuts” to the market value of certain resources where appropriate to reflect market and credit risk, and the ROC may require that the value of financial resources be calculated more often than monthly if the ROC determines that doing so is necessary or advisable. The Exchange will submit quarterly reports of its financial resources calculations to the Commission. In the application, please see:</p> <ul style="list-style-type: none"> • <u>Exhibit I</u>: balance sheet, statement of cash flows, discussion of capital to cover operating expenses, and a detailed schedule of operating expenses, and representations regarding sources for this analysis. • <u>Exhibit N</u>: agreements supporting the amounts of the external operating expenses detailed in <u>Exhibit I</u>. <p><i>See also</i> Section 12.3 of the Compliance Manual.</p>
<p>Core Principle 22 - Diversity Of Board of Directors: The board of trade, if a publicly traded company, shall endeavor to recruit individuals to serve on the board of directors and the other decision-making bodies (as determined by the Commission) of the board of trade from among, and to have the composition of the bodies reflect, a broad and culturally diverse pool of qualified candidates.</p>	<p>Not applicable.</p>
<p>Core Principle 23 - Securities and Exchange Commission: The board of trade shall keep any such records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission.</p>	<p>Not applicable.</p>